

**DEPARTMENT OF DEFENSE
FINANCIAL IMPROVEMENT AND
AUDIT READINESS COMMITTEE**

CHARTER

Mission and Purpose

1. The Financial Improvement and Audit Readiness Committee is established to further improve Financial Management within the Department of Defense (DoD) in support of the Warfighter. This Committee will support the integration of financial management requirements within the financial community that enable change in the Financial Management Core Business Mission Area (FM CBMA). The Committee will pursue meaningful and sustainable Financial Management improvements within the broader context of DoD Business Transformation and will coordinate its activities with the Financial Management Transformation Team (FMTT).
2. The Committee will provide advice and recommendations to the Under Secretary of Defense (Comptroller) (USD(C)) and Deputy Under Secretary of Defense (Financial Management) (DUSD(FM)) on opportunities to prioritize, integrate and manage efforts to improve financial management and achieve audit readiness. Management of these improvements will employ a federated approach that identifies enterprise requirements and recognizes unique Component-level execution and implementation plans. Improvements will focus on human capital requirements, policies, processes, controls, systems, organizational structures, and validation audits.
3. The overall goal of the Committee is to advise the USD(C) and DUSD(FM) on ways to optimize Financial Management improvement efforts by effectively identifying targets and recommending corrections to the appropriate change agents, including stakeholders within the financial community, those in the CBMA and the broader Business Mission Area, and across other mission areas.

Committee Responsibilities

1. Advise the USD(C), DUSD(FM) and FMTT on strategic recommendations for financial management improvement and transformation.
2. Advise the USD(C), DUSD(FM) and the FMTT on recommended priorities for financial improvement, including changes in human capital requirements, policies, processes, controls, systems, organizational structures, and audits.
3. Review ongoing transformation within the Financial Community and identify opportunities for collaborative efforts and collectively identify candidates for DoD enterprise level change.

4. Advise the USD(C) and DUSD(FM) on priorities for implementing the Office of Management and Budget (OMB) Circular A-123 requirements for Internal Controls and provide advice on solutions to systemic control deficiencies identified through the control reviews.
5. Recommend measurable goals and objectives and meaningful metrics for evaluating progress toward improvement. Existing metrics should be used whenever possible.
6. Participate in developing and managing the comprehensive DoD Financial Improvement and Audit Readiness (FIAR) Plan. Ensure that the FIAR Planning Tool incorporates:
 - Component Financial Improvement Plans aligned to financial statements and reflecting estimated audit assertion dates and resource requirements.
 - Enterprise FM Initiatives
 - FM CBMA Initiatives
 - Implementation plans for the Internal Control requirements of OMB Circular A-123.
7. Assist the Deputy Chief Financial Officer (DCFO) in executing a comprehensive Change Management and Communications Strategy.
8. As needed, establish and charter workgroups, task forces or subcommittees to address specific Financial Management Transformation (FMT) issues and challenges.
9. As needed, invite experienced experts and knowledgeable individuals from other federal agencies and industry to recommend best practices.
10. Review this charter annually or when requested by a Committee member.


Committee Membership and Members' Responsibilities

1. Committee membership and attendance is for principals only and consists of:
 - Deputy Chief Financial Officer--Serves as the Committee Chair
 - Director, Financial Improvement and Audit Readiness Directorate, OUSD(C)--Serves as the Vice-Chair
 - Director, Accounting and Finance Policy and Analysis, OUSD(C)
 - Director, Financial Management Transformation Team Office, OUSD(C)
 - Director, Revolving Funds, OUSD(C)
 - Deputy Assistant Secretary of the Army for Financial Operations
 - Director, Financial Management Operations, ASN(FM&C)
 - Deputy Assistant Secretary of the Air Force for Financial Operations (Financial Management)
 - Comptroller, Defense Logistics Agency
 - Director for Accounting Services, Defense Finance and Accounting Service

- Assistant Inspector General, Defense Financial Auditing Service (DFS), DoD, Office of the Inspector General--Advisory Member
 - Comptrollers from other Defense Agencies and Field Activities will be provided minutes of meetings and will be periodically invited to attend.
2. The Chair will:
 - Preside at meetings.
 - Approve the agenda and minutes for each meeting.
 - Periodically report progress to the USD(C) and DUSD(FM).
 - As appropriate, coordinate with committee members within typical limited time constraints FMT related testimony and presentations to the Congress and their staffs, presentations to the Office of Management and Budget, responses to the Office of the Inspector General, and the Government Accountability Office. The Chair will also share the outcome of such meetings and presentations.
 3. The Vice-Chair will perform the duties of the Chair, when the Chair is not present.
 4. Members will:
 - Champion the DoD FIAR Vision, Goals and Objectives within their Components.
 - Fulfill Committee member responsibilities.
 - Identify and nominate agenda items and issues for consideration.
 - Represent their organizations' positions during meetings.
 - Communicate Committee activity within their organizations.
 - Execute actions and tasks as agreed to by the committee.
 5. Members will seek to achieve consensus on decisions, recommendations, prioritization of initiatives, and other matters. When consensus is not achieved, the Chair or Vice Chair will present the alternatives to the USD(C) for resolution or decision. The results of this process will be shared with the Committee as soon as possible after decision or resolution is reached.

Meeting Frequency and Location

1. Meetings will be held monthly on the first Thursday of each month at 1:00 PM to 2:30 PM. Additional meetings will be held as needed and as requested by the Chair, Vice Chair and when requested by any member of the Committee.
2. The meetings will be held in the Pentagon and hosted by the OUSD(C) and the Military Departments on a rotational basis.

Approved By:  Date: JUL 17 2005
 Robert J. Henke, PDUSD(C)